

**Kalamazoo Public Library
OFFICIAL MINUTES OF THE BOARD OF TRUSTEES
PUBLIC HEARING ON INTERNET POLICY REVISION
AND REGULAR SESSION**

DATE: October 28, 2002

TIME: 4:00 p.m.

LOCATION: Eastwood Branch Library
Meeting Room
1112 Gayle Street
Kalamazoo, Mi 49001

PUBLIC HEARING ON INTERNET POLICY REVISION

President Brown called the Public Hearing regarding a revision to the Internet Policy to order at 4:00 p.m. After determining there were no public comments, he closed the hearing at 4:03 p.m.

PRELIMINARY BUSINESS

President Brown called the meeting to order at 4:03 p.m.

Roll Call: Trustees present were: Donald Brown, Robert Brown, Loren Dykstra, Lisa Godfrey, Rand Johnson and James Vander Roest. Absent: Doreen Thomas.

Agenda : It was agreed to address item V. A., the 2001/2002 Audit, ahead of the consent calendar items.

I. RECOGNITIONS, RESOLUTIONS, COMMUNICATIONS

There were no recognitions, resolutions or communications.

II. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

V. A. Audit for 2001/2002

Recommendation: The director recommended the board accept the Kalamazoo Public Library 2001/2002 Financial Statements and Independent Auditor's Report, Year Ended June 30, 2002.

Executive Summary: The Finance & Budget Committee met October 17, 2002 to review the audit materials for the year ended June 30, 2002. Both the comments given and the report presented by the auditors were very good. The Independent Auditor's Report noted no exceptions to generally accepted accounting principles and reported a "clean" audit.

The Finance & Budget Committee also recommended acceptance of the report as presented by the board's auditors, Siegfried, Crandall, Vos & Lewis P.C.

Mr. Bill Sage, CPA and Shareholder with Siegfried, Crandall met with the Finance & Budget Committee to review the audit; Mr. Amdursky introduced him to trustees.

Discussion: Mr. Sage explained some changes that were made to our accounting practices including the timing of penal fine income recognition and recognition of funds held at Kalamazoo Foundation as "funds held by others." He also pointed out the Virginia Earl trust has been recognized for the first time as an endowment in these financial statements and the corpus is non-expendable. The current investment policy will need to be re-drafted to establish guidelines for how to expend the earnings.

Mr. Brown reported the Finance & Budget Committee meeting was informative. The auditors are recommending funds with no restrictions should be part of the general fund; we will need to talk about doing this. The financial reports have been used to demonstrate effective stewardship and accountability.

Mr. Sage told trustees Ms. Schiller is planning and working with Siegfried/Crandall to be sure KPL will be compliant with new accounting standards that will be effective in 2004. In response to questions from Mr. Vander Roest, Mr. Sage indicated funds within the Kalamazoo Community Foundation need to be recognized as KPL funds since it takes very little effort for us to obtain them; the amount set aside for the Consumers Energy appeal is adequate; the unfunded MERS liability is reasonable.

MOTION: Ms. Godfrey moved and Mr. Vander Roest supported a motion to accept the 2001/2002 audit as presented.

Discussion: Mr. Brown suggested the board discuss special/other funds and what might need to be done to prepare for new 2004 audit regulations. Some education for trustees in this area would be helpful. Dr. Johnson expressed some concern about the size of the fund balance, that it represents four months of expenses. Mr. Amdursky indicated we may be able to build it at some point after 2005 when our bond obligations are reduced. Ms. Schiller explained the CIP budget helps ease the pressure on our cash flow; as salary and benefit costs grow, we will also need to grow the fund balance.



MOTION CARRIED 6-0.

III. CONSENT CALENDAR

- A. Minutes of the Regular Meeting of September 23, 2002
- B. Personnel Items

Alberto Sanchez moved from an hourly to a half-time salaried position in Facilities Management on October 1, 2002.

Joan Hawxhurst has been hired for the temporary, hourly position of “Reading Together” Project Coordinator. We expect this assignment to last approximately six months, with Ms. Hawxhurst working about 15 hours per week.

Disposition: The board accepted the minutes and personnel items as presented.

IV. FINANCIAL REPORTS

- A. Financial Reports for the Period Ending September 30, 2002

Recommendation: Director Amdursky recommended the board approve Financial Reports for the Period Ending September 30, 2002.

MOTION: MR. VANDER ROEST MOVED AND MR. DYKSTRA SUPPORTED APPROVAL OF THE FINANCIAL REPORTS AS RECOMMENDED.

Executive
Summary:

Mr. Amdursky indicated expenditures on track for the year.



Motion carried 6-0.

V. REPORTS AND RECOMMENDATIONS

- A. Internet Policy Revision

Recommendation: Mr. Amdursky recommended the Internet Policy be revised to comply with NCIPA

MOTION: IT WAS MOVED BY MS. GODFREY AND SUPPORTED BY MR. BROWN TO APPROVE THE REVISED INTERNET POLICY AS RECOMMENDED.

Executive Summary: Revision of the Internet Policy was discussed at the September board meeting. As directed, the director met with Don Schmidt of Miller/Canfield to relay the board's concerns and guidance.

Unfortunately, it was impossible to keep the policy short and still meet NCIPA regulations. The attorneys did their best to develop a usable but non-restrictive policy that respects the rights of adults as it tries to protect youth. A copy of the policy as revised was provided to trustees. If approved, the policy will make KPL compliant with NCIPA.

A public hearing to allow public comment on the proposed policy was held as required.

Discussion: In response to trustee questions, Mr. Amdursky detailed how access to the Internet is denied when patrons violate the policy and how that information is tracked and shared among agencies.



Motion carried 6-0.

VI. COMMITTEE REPORTS

2002/2003 Committee Assignments

Dr. Brown listed committee assignments for 2002/2003 for the record:

Finance & Budget Committee: Robert Brown, Chair; Loren Dykstra and Lisa Godfrey

Personnel Committee: Rand Johnson, Chair; Doreen Thomas; James Vander Roest

Ad Hoc Endowment Fund Governance Committee: Lisa Godfrey, Chair; Donald Brown and Doreen Thomas

Ad Hoc Litigation Monitoring Committee: Lisa Godfrey, James Vander Roest

Law Library Liaison: Lisa Godfrey

A. Finance & Budget Committee

Mr. Brown reported the committee reviewed the audit and that the committee was pleased with the clean audit and interesting meeting. He noted that Robert Kent, the principal at Siegfried/Crandall for a number of years, retired recently.

B. Personnel Committee

No report.

C. Law Library Liaison

Presentation: Ms. Godfrey indicated the board agreed at its last meeting that if the county would agree that three conditions: 1) KPL will control materials selection; 2) KPL will control hours of service; 3) Penal fines will be paid to KPL on a quarterly rather than an annual basis, then KPL would agree to accept a decrease in the county's allocation to KPL for providing law library services from \$138,000 to about \$80,000 until the economy improves and the county can reassume their responsibility. The county has agreed to these stipulations and the contract presented for board approval is what was discussed last month by trustees.

MOTION: IT WAS MOVED BY MS. GODFREY AND SUPPORTED BY MR. VANDER ROEST TO APPROVE THE CONTRACT AS PRESENTED.

Discussion: Ms. Godfrey elaborated that the \$80,000 provided by the county will cover the cost of materials. KPL will be responsible for staff, space rental and possibly some collection additions. We may reduce hours as we feel appropriate; cost of living increases are included; there is a clause in the agreement to revisit the terms in three years.

She added the County Bar Association has been approached to provide \$10,000, the amount they historically provided when the law library was housed at the courthouse. Other possibilities for assistance are also being pursued including the Access to Justice fund at the state bar and local opportunities.

Mr. Vander Roest said he knows funds are tight, but supports this agreement – the only meaningful cooperative effort in Kalamazoo County and a service that provides enormous benefit to people who want to use the law library. Two thirds of the people who use the law library are not attorneys. He added he hopes the hours the law library is open to the public will not be cut unless it is necessary.

Ms. Godfrey noted the law library is open 68 hours a week currently and that open hours may not be cut below 50 by contract. The first hours that would likely be cut if necessary would be Sunday or whatever other hours would least affect the public. She added the state bar journal has recognized in print what KPL has done in collaborating with the county to provide law library service. She is not aware of any other similar arrangement.



MOTION CARRIED 6-0.

D. Endowment Fund Governance Committee

Presentation: Ms. Godfrey indicated five responses to the request for quote for an investment manager were received by the committee. Three were perfunctory responses from banking entities who were not interested in our account. The two serious respondents were Arcadia Investment Management Corporation and Greenleaf Trust. The committee interviewed representatives from each of the two firms. As a result of the interviews the committee determined the library would be best served by Arcadia and recommends them to the board.

MOTION: IT WAS MOVED BY MS. GODFREY AND SUPPORTED BY MR. VANDER ROEST TO CONTRACT WITH ARCADIA INVESTMENT MANAGEMENT CORPORATION TO MANAGE INVESTMENT OF THE LIBRARY'S ENDOWMENT FUND.

Discussion: In response to trustee questions, Ms. Godfrey said Arcadia is a local business and that our contact person has been in Kalamazoo for a number of years; a five year contract was agreed upon since we will not spend anything from the fund before then.



Motion carried 6-0.

Ms. Godfrey said the next step in the process will be to sign a contract, approve a resolution to authorize an investment account, then transfer the funds.

VII. OTHER BUSINESS

A. Directors Report

The director reported local television channel WWMT held a brief on air phone-a-thon in support of Ready to Read and raised \$1200 from 73 contributors; in addition to the money raised it was very good publicity for the program.

Two website development vendors made presentations to staff October 23, Copper Advertising/Root Level and Creative Group/Pathfynder. After input from Webteam members, the directors decided to contract with Copper/Root Level to redesign and implement our website. It is expected the new website will be launched about a month before SIRSI, probably in late March or early April, 2003. Marti Fritz is coordinating this project. We want the community to see our web site as a portal to resources. In response to a question from Dr. Johnson, Mr. Amdursky indicated we track various usages of our web site each month.

Mr. Amdursky noted a facilitator for the Reading Together project was just hired. She will be under the supervision of Mr. Lason. The first step in the process will be to gather area librarians and others to select the book to be read by the community. The entire project should have a duration of five to six months.

Ms. Godfrey noted the Library of the Year presentation made by Mr. Amdursky and Ms. Doud at a recent Rotary Club meeting was very well received.

VIII. PERSONS REQUESTING TO ADDRESS THE BOARD

No one addressed the board.

IX. TRUSTEE COMMENTS

Mr. Vander Roest asked if we have had any inquiries under the U. S. Patriot Act. Mr. Amdursky said we have not had any to date. President Brown asked if we have been asked to curtail government document information access to the public. The director said there is less available from the government than in the past but we have not been asked to limit access on what we have. Ms. Godfrey asked what link we have between our patrons and records of materials they borrow. Mr. Amdursky said he would return with that information.

Mr. Vander Roest indicated he would like to have an extended board session to cover these issues in greater detail; perhaps we might want to formulate a policy in response to the U. S. Patriot Act.

Mr. Amdursky told trustees the library will be closed November 11 to hold Staff In-Service Day. An interpretation of these issues and NCIPA will be discussed by an ALA representative.

Mr. Dykstra said after the last board meeting Mr. Amdursky declined a position as Minneapolis Public Library Director. He is delighted with his decision to stay as KPL's director.

President Brown agreed and said he was gratified to see the community's response to the news and how they perceive the position of director and the benefits the provided by KPL to the community under his leadership. He added it has been a pleasure to work with Ms. Godfrey on the Endowment Fund Governance Committee; he felt Arcadia was a good choice.

X. ADJOURNMENT

Hearing no objections, President Brown adjourned the meeting of the Kalamazoo Public Library Board of Trustees at 5:20 p.m.

Doreen Thomas, Secretary